

優創金融集團控股有限公司

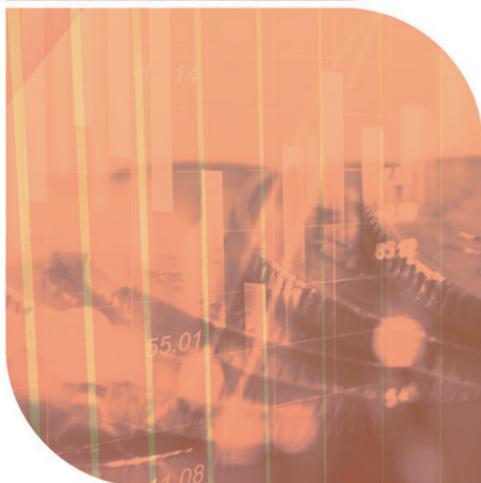
YOUTH CHAMP FINANCIAL GROUP HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Stock Code: 1160

**INTERIM
REPORT**

2019



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Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Wang Kaizhen

Non-Executive Directors

Mr. He Luling (*Chairman*)

Mr. Dong Licheng (*appointed on 8 May 2019
and resigned on 31 August 2019*)

Independent Non-Executive Directors

Ms. Ma Yin Fan

Ms. Yan Yan

Mr. Xu Yanfa

COMPANY SECRETARY

Ms. Leung So Sze

AUDIT COMMITTEE

Ms. Ma Yin Fan

Mr. He Luling

Ms. Yan Yan

Mr. Xu Yanfa

REMUNERATION COMMITTEE

Ms. Yan Yan

Mr. He Luling

Ms. Ma Yin Fan

Mr. Xu Yanfa

NOMINATION COMMITTEE

Mr. He Luling

Ms. Ma Yin Fan

Ms. Yan Yan

Mr. Xu Yanfa

INVESTMENT MANAGER

Avanta Investment Management Limited

Unit D, 23/F, United Centre

No. 95 Queensway, Hong Kong

CUSTODIAN

DBS Bank Ltd., Hong Kong Branch

18/F, The Center

99 Queen's Road Central

Hong Kong

Corporate Information

AUDITORS

Crowe (HK) CPA Limited
9/F., Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

PRINCIPAL BANKER

OCBC Wing Hang Bank Limited
161 Queen's Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 503, 5/F, Greenfield Tower
Concordia Plaza, 1 Science Museum Road
Kowloon, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F, 148 Electric Road
North Point, Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:

Yang Chan & Jamison
806-807, 8/F, One Pacific Place,
88 Queensway,
Hong Kong

As to Bermuda law:

Conyers Dill & Pearman
2901, One Exchange Square
8 Connaught Place,
Central, Hong Kong

WEBSITE

<http://www.irasia.com/listco/hk/youthchamp>

Unaudited Condensed Interim Financial Statements

RESULTS

The board (the “Board”) of directors (the “Directors”) of Youth Champ Financial Group Holdings Limited (the “Company”) is pleased to announce the unaudited condensed interim results of the Company for the six months ended 30 September 2019 (the “Period”) together with the comparative figures for the corresponding period in 2018. These condensed interim financial statements have not been audited, but have been reviewed by the Company’s audit committee (the “Audit Committee”) and also reviewed by independent auditors, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

On behalf of the Board

Youth Champ Financial Group Holdings Limited

He Luling

Chairman

Report on Review of Condensed Interim Financial Statements



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE BOARD OF DIRECTORS OF YOUTH CHAMP FINANCIAL GROUP HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed interim financial statements set out on pages 7 to 25 which comprise the condensed statement of financial position of Youth Champ Financial Group Holdings Limited (the “Company”) as of 30 September 2019 and the related condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the condensed interim financial statements in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the condensed interim financial statements and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Report on Review of Condensed Interim Financial Statements

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of the condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements as at 30 September 2019 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 27 November 2019

Yau Hok Hung

Practising Certificate Number P04911

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2019

	NOTE	For the six months ended 30 September	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
NET INVESTMENT LOSS	4	(11)	(511)
OTHER INCOME	5	33	43
GENERAL AND ADMINISTRATIVE EXPENSES		(4,899)	(5,003)
LOSS FROM OPERATIONS		(4,877)	(5,471)
FINANCE COSTS		(20)	–
LOSS BEFORE TAXATION	6	(4,897)	(5,471)
INCOME TAX	7	–	–
LOSS FOR THE PERIOD		(4,897)	(5,471)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		–	–
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD		(4,897)	(5,471)
LOSS AND TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(4,897)	(5,471)
LOSS PER SHARE (HK Cents)			
– Basic	8	(2.83)	(3.17)
– Diluted	8	(2.83)	(3.17)

The notes on pages 11 to 25 form part of these unaudited condensed interim financial statements.

Condensed Statement of Financial Position

As at 30 September 2019

	NOTE	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		45	58
Right-of-use asset	10	965	–
		1,010	58
CURRENT ASSETS			
Financial asset at fair value through profit or loss	11	2,463	2,474
Deposits, prepayments and other receivables	12	366	477
Cash and cash equivalents	13	7,953	12,848
		10,782	15,799
CURRENT LIABILITIES			
Accruals and other payables	14	383	486
Lease liability		577	–
		960	486
		9,822	15,313
NON-CURRENT LIABILITIES			
Lease liability		358	–
		358	–
		10,474	15,371
CAPITAL AND RESERVES			
Share capital	15	17,280	17,280
Reserves		(6,806)	(1,909)
		10,474	15,371
		HK\$0.06	HK\$0.09

The notes on pages 11 to 25 form part of these unaudited condensed interim financial statements.

Condensed Statement of Changes in Equity

For the six months ended 30 September 2019

	Share capital HK\$'000	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 April 2018 (Audited)	17,280	37,786	(30,277)	24,789
Loss and total comprehensive expenses for the period	-	-	(5,471)	(5,471)
Balance at 30 September 2018 (Unaudited)	17,280	37,786	(35,748)	19,318
Balance at 1 April 2019 (Audited)	17,280	37,786	(39,695)	15,371
Loss and total comprehensive expenses for the period	-	-	(4,897)	(4,897)
Balance at 30 September 2019 (Unaudited)	17,280	37,786	(44,592)	10,474

The notes on pages 11 to 25 form part of these unaudited condensed interim financial statements.

Condensed Statement of Cash Flows

For the six months ended 30 September 2019

	For the six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(4,678)	4,659
NET CASH GENERATED FROM INVESTING ACTIVITIES	38	33
NET CASH USED IN FINANCING ACTIVITIES	(255)	–
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(4,895)	4,692
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	12,848	12,639
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,953	17,331
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,953	17,331

The notes on pages 11 to 25 form part of these unaudited condensed interim financial statements.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

1. BASIS OF PREPARATION

These unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 27 November 2019.

The unaudited condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2018/19 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019/20 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an unaudited condensed interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These unaudited condensed interim financial statements contain condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the 2018/2019 annual financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The unaudited condensed interim financial statements are unaudited, but have been reviewed by Crowe (HK) CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. Crowe (HK) CPA Limited’s independent review report to the Board of Directors is included on pages 5 to 6.

The financial information relating to the financial year ended 31 March 2019 that is included in the unaudited condensed interim financial statements as comparative information does not constitute the Company’s statutory annual financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2019 are available from the Company’s principal place of business in Hong Kong. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16 “Leases”, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Company.

Except for HKFRS 16 “Leases”, none of the developments have had a material effect on how the Company’s results and financial position for the current or prior periods have been prepared or presented in this interim financial information. The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 “Leases”

HKFRS 16 replaces HKAS 17 “Leases”, and the related interpretations, HK(IFRIC) 4 “Determining whether an arrangement contains a lease”, HK(SIC) 15 “Operating leases – incentives”, and HK(SIC) 27 “Evaluating the substance of transactions involving the legal form of a lease”. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Company has initially applied HKFRS 16 as from 1 April 2019. The Company has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

2. CHANGES IN ACCOUNTING POLICIES *(continued)*

HKFRS 16 “Leases” *(continued)*

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) Changes in the accounting policies

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Company applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Company has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

2. CHANGES IN ACCOUNTING POLICIES *(continued)*

HKFRS 16 “Leases” *(continued)*

(a) Changes in the accounting policies (continued)

(ii) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Company is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Company is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment.

When the Company enters into a lease in respect of a low-value asset, the Company decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

2. CHANGES IN ACCOUNTING POLICIES *(continued)*

HKFRS 16 “Leases” *(continued)*

(a) Changes in the accounting policies *(continued)*

*(ii) Lessee accounting *(continued)**

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Company will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies

(i) Determining the lease term

As explained in the above accounting policies, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Company, the Company evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Company to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Company's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Company's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

2. CHANGES IN ACCOUNTING POLICIES (continued)

HKFRS 16 “Leases” (continued)

(c) Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 April 2019), the Company determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 April 2019.

To ease the transition to HKFRS 16, the Company applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) the Company elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2020;

The following table reconciles the operating lease commitments as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	1 April 2019 HK\$'000
Operating lease commitments at 31 March 2019	50
Less: commitment relating to leases exempt from capitalisation:	
– short-term lease and other leases with remaining lease terms ending on or before 31 March 2020	(50)
<hr/>	
Total lease liabilities recognised at 1 April 2019	–
<hr/>	

There are no significant impact of the adoption of HKFRS 16 on the Company's statement of financial position as at 1 April 2019.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

3. SEGMENT REPORTING

The Company is principally engaged in investments in listed and unlisted enterprises.

No segment information is presented in respect of the Company's business and geographical segments as all of the income, contribution to operating results, assets and liabilities of the Company are attributable to investment activities, which are carried out or originated principally in Hong Kong.

4. NET INVESTMENT LOSS

	For the six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Net unrealised fair value changes of financial assets at fair value through profit or loss	(11)	(511)

5. OTHER INCOME

	For the six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Bank interest income	33	43

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following:

	For the six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Investment manager fee	400	286
Legal and professional fees	1,001	1,035
Depreciation charge		
– Owned property, plant and equipment	13	10
– Right-of-use asset	205	–
Expenses relating to short-term lease	89	–
Total minimum lease payments for lease previously classified as operating lease under HKAS 17	–	300
Directors' remuneration	877	1,364
Staff costs (excluding directors' emoluments)		
– Salaries, bonus and allowances	1,192	1,122
– Mandatory provident fund contributions	20	17
Interest on lease liability	20	–

7. INCOME TAX

No Hong Kong Profits Tax has been provided for in the unaudited condensed financial statements for the six months ended 30 September 2019 and 2018 as the Company has no estimated assessable profits for both periods.

8. LOSS PER SHARE

The calculation of basic loss per ordinary share is based on the unaudited loss attributable to ordinary equity shareholders of the Company of approximately HK\$4,897,000 for the Period (period ended 30 September 2018: loss of approximately HK\$5,471,000) and the weighted average of 172,800,000 ordinary shares (period ended 30 September 2018: 172,800,000 ordinary shares) in issue during the Period.

There were no dilutive potential ordinary shares during the six months ended 30 September 2019 and 2018, and therefore, diluted loss per share is the same as the basic loss per share.

9. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (period ended 30 September 2018: Nil).

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

10. RIGHT-OF-USE ASSET

During the six months ended 30 September 2019, the Company entered into a new lease agreement, and therefore recognised an addition to right-of-use asset of approximately HK\$1,170,000.

11. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Unlisted fund investment (trading and investment securities) – at fair value		
Unlisted partnership investment	2,463	2,474

A brief description of the business information of the unlisted fund investment is as follows:

CMHJ TECHNOLOGY FUND II, L.P. (“CMHJ”)

CMHJ is a limited partnership registered pursuant to the Exempted Limited Partnership Law of the Cayman Islands on 28 September 2005. The principal activity of CMHJ is to make venture capital investments, principally by investing in and holding equity and equity-oriented securities of privately held early stage to Pre-IPO companies in the technology-enabled services and products industries with markets and/or operations in Mainland China.

During the Period, the Company did not receive any cash dividend from CMHJ (six months ended 30 September 2018: Nil).

Particulars of the unlisted partnership investment as at 30 September 2019 were as follows:

Name of limited partnership	Nature of business	Percentage of interest held (%)	Net assets attributable to the investment (%)	Cost at	Carrying
				30 September 2019 HK\$'000	amount at 30 September 2019 HK\$'000
CMHJ Technology Fund II, L.P. ("CMHJ")	Investing in equity securities of privately held companies in the industries of technologies enabled services and products industries in the Mainland China	2.84	23.5	11,193	2,463

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Deposits and other receivables	190	192
Prepayments	176	285
	366	477

13. CASH AND CASH EQUIVALENTS

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Cash and bank balances	2,173	1,921
Short-term bank deposits	5,780	10,927
	7,953	12,848

14. ACCRUALS AND OTHER PAYABLES

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Accruals and other payables	383	486

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

15. SHARE CAPITAL

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Authorised:		
1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
Issued and fully paid:		
172,800,000 ordinary shares of HK\$0.10 each	17,280	17,280

16. RELATED PARTY TRANSACTIONS

During the six months ended 30 September 2018, Evergrande Securities (Hong Kong) Limited (“Evergrande”), in which its director, Mr. Lee Tak Lun is close family member of Ms. Lee Wai Tsang, Rosa, the former director of the Company, was the investment manager of the Company and was entitled to a monthly fee of HK\$28,750 for the provision of investment management services to the Company. During the period ended 30 September 2018, the Company has reimbursed Grand Finance Group Company Limited (“GFG”) on administrative expenses shared by the Company on a cost basis. Ms. Lee Wai Tsang, Rosa, the former director of the Company, was also a director of GFG.

Details of related party transactions for the six months ended 30 September 2018 are as below:

	For the six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Investment manager fee paid to Evergrande	–	86
Sharing of administration expenses paid to GFG	–	39

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Company engages an independent professional valuer (the "Valuer") performing valuation for its financial assets at fair value through profit or loss, which are categorised into Level 3 of the fair value hierarchy. The Valuer reports directly to the Company's executive director. A valuation report with analysis of changes in fair value measurement is prepared by the Valuer at each interim and annual reporting date, and is reviewed and approved by the Company's executive director. Discussion of the valuation process and results with the executive director and the audit committee is held twice a year, to coincide with the reporting dates.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(continued)

(a) Financial assets and liabilities measured at fair value *(continued)*

Fair value hierarchy *(continued)*

At 30 September 2019 and 31 March 2019, the only financial instrument of the Company carried at fair value was unlisted fund investment of approximately HK\$2,463,000 and HK\$2,474,000, respectively. The instrument is measured at fair value on a recurring basis and its fair value measurements fall into Level 3 of the fair value hierarchy described above.

During the six months ended 30 September 2019, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (period ended 30 September 2018: Nil). The Company's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted fund investment	Adjusted net assets value	Underlying asset's value

The fair value of unlisted fund investment is determined using adjusted net asset value. The fair value measurement is positively correlated to the underlying assets' values. As at 30 September 2019, it is estimated that with other variables held constant, an increase/decrease in 5% of underlying assets' values would have decreased/increased the Company's loss by approximately HK\$115,000 (31 March 2019: approximately HK\$124,000).

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(continued)

(a) Financial assets and liabilities measured at fair value (continued) Information about Level 3 fair value measurements (continued)

The movements during the period in the balance of Level 3 fair value measurements is as follows:

	At 30 September 2019	At 30 September 2018	
	Unlisted fund investment HK\$'000 (Unaudited)	Unlisted equity investments HK\$'000 (Unaudited)	Unlisted fund investment HK\$'000 (Unaudited)
Financial assets at fair value through profit or loss			
At 1 April	2,474	-	-
Impact on initial application of HKFRS 9	-	14,784	3,934
Adjusted balance as at 1 April	2,474	14,784	3,934
Capital investment returned during the period	-	-	(2,200)
Disposal of unlisted equity securities	-	(13,738)	-
Changes in fair value recognised in profit or loss during the period	(11)	(641)	130
At 30 September	2,463	405	1,864
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(11)	(641)	130

The gains or losses arising from the remeasurement of unlisted equity investments and unlisted fund investment are presented in the "Net investment loss" line item in the statement of profit or loss and other comprehensive income.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended 30 September 2019

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(continued)

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Company's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 March 2019 and 30 September 2019.

18. APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

These unaudited condensed interim financial statements were approved by the Board on 27 November 2019.

Management Discussion and Analysis

INTERIM RESULTS

During the Period, the Company recorded a loss of approximately HK\$4,897,000 (six months ended 30 September 2018: loss of approximately HK\$5,471,000), representing a decrease in loss for the Period of approximately HK\$574,000 as compared with the corresponding period last year mostly due to lower net investment loss for the Period. Unrealized net investment loss of approximately HK\$11,000 was recognized for the Period in respect of the financial asset at fair value through profit or loss while approximately HK\$511,000 net investment loss was recognized in the corresponding period last year. General and administrative expenses for the Period amounted to approximately HK\$4,899,000, representing a decrease by approximately HK\$104,000 as compared with the six months ended 30 September 2018 mainly due to lower Directors' remuneration.

BUSINESS OVERVIEW AND PROSPECTS

During the Period, the Company continued to operate its investment management business and monitor its existing investment portfolio, and made no new investments.

As the domestic economy has entered a phase where economic structural adjustment and economic deleveraging are overlapped together, the economic growth has begun to slow down and due to the adverse impacts brought by the lingering US-China trade tensions, the GDP growth rate of the People's Republic of China ("PRC") declined continuously from 6.4% for the first quarter to 6.2% for the second quarter and 6.0% for the third quarter. However, despite the declination of domestic economic growth, the adjustments in economic structure have shown some indications of improvement. The growth of high-tech industries, enterprises above designated size and strategic emerging industries has significantly exceeded the growth of GDP, which represents a highlight under the background of general profit declination for domestic enterprises. There are indications that with the deepening of economic structural transformation and softening of deleveraging as well as a potential trade deal between the US and China in the coming year which may end the existing tensions, it is expected that the economic growth of the PRC may stop dropping and become stable in the coming year.

In view of the lack of liquidity in the domestic capital market in Mainland China and the negative effects brought by the social upheavals which have lasted for a half year in Hong Kong, the Company has managed its investment portfolio in a cautious and prudent manner. Looking forward, the prospects of the global economy are full of uncertainties and we still need to pay close attention to the stability of domestic economy and will continue to focus on equity investments in the domestic market in the PRC. The Company will closely monitor the market condition and continue to explore new investment opportunities cautiously.

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS HELD

As at 30 September 2019, the Company held the following investment:

CMHJ Technology Fund II, L.P (“CMHJ”)

CMHJ is a limited partnership registered pursuant to the Exempted Limited Partnership Law of the Cayman Islands on 28 September 2005. The principal activity of CMHJ is to make venture capital investments, principally by investing in and holding equity and equity-oriented securities of privately held early stage to Pre-IPO companies in the technology-enabled services and products industries with markets and/or operations in the PRC.

As at 30 September 2019, the cost of the Company’s investment in CMHJ was approximately HK\$11,193,000 and based on the valuation performed by an independent valuer, the fair value of the 2.84% equity interests in CMHJ held by the Company amounted to approximately HK\$2,463,000 which represented approximately 23.5% of the net assets of the Company. Net unrealized investment loss of approximately HK\$11,000 was recognized by the Company during the Period in respect of the change in fair value of the CMHJ equity interests held by the Company. No dividend has been received from CMHJ during the Period.

Looking forward, the Board believes that CMHJ will continue to realize its existing investment portfolio in the coming year and strive to generate satisfactory returns to CMHJ.

Save as disclosed above, the Company did not hold any other significant investment with a value greater than 5% of the Company’s gross assets as at 30 September 2019.

SIGNIFICANT EVENT DURING THE PERIOD

Change of Company Name

During the Period, the English name of the Company has been changed from “Grand Investment International Ltd.” to “Youth Champ Financial Group Holdings Limited” and the Chinese name of “優創金融集團控股有限公司” has been adopted and registered as the secondary name of the Company.

Following the passing of the special resolution for the change of Company name at the special general meeting held on 24 April 2019, the Registrar of Companies in Bermuda approved the registration of the new name of the Company on 26 April 2019 and a Certificate of Incorporation on Change of Name and a Certificate of Secondary Name were issued on 21 May 2019. A Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry in Hong Kong on 12 June 2019 confirming its registration of the new English name of the Company “Youth Champ Financial Group Holdings Limited” also known as “優創金融集團控股有限公司” in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Details of the change of Company name were disclosed in the announcements of the Company dated 11 March 2019 and 21 June 2019, and the circular of the Company dated 1 April 2019.

Management Discussion and Analysis

EVENT AFTER THE REPORTING PERIOD

Change of Chief Executive Officer

Ms. Wang Biao has been appointed as the chief executive officer of the Company (the “CEO”) and Mr. Ji Qiang has resigned as the CEO, both with effect from 1 November 2019. Details of the change of CEO were disclosed in the announcements of the Company dated 31 October 2019 and 14 November 2019.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2019, the Company had bank balances of approximately HK\$7,953,000 (31 March 2019: HK\$12,848,000). The Board believes that the Company has sufficient financial resources to meet its immediate investment and working capital requirements. There was no long term borrowing and calculation of gearing ratio was not applicable (31 March 2019: N/A).

As at 30 September 2019, the Company had net assets of approximately HK\$10,474,000 (31 March 2019: HK\$15,371,000).

CHARGES ON COMPANY’S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2019, there was no charge on the Company’s assets or any significant contingent liabilities (31 March 2019: Nil).

CAPITAL EXPENDITURES

The Company did not make any significant capital expenditure during the Period (period ended 30 September 2018: Nil).

COMMITMENTS

The Company had no capital commitment as at 30 September 2019 (31 March 2019: Nil).

CAPITAL STRUCTURE

As at 30 September 2019, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 172,800,000 (31 March 2019: 172,800,000).

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (period ended 30 September 2018: Nil).

Management Discussion and Analysis

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, the Company did not purchase, sell or redeem any of its shares (period ended 30 September 2018: Nil).

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Company did not execute any agreement in respect of material investment or capital asset during the Period and did not have any other plans relating to material investment or capital asset as at 30 September 2019. Nonetheless, if any potential investment opportunity arises in the future, the Company will perform feasibility studies and prepare implementation plans to consider whether it will be beneficial to the Company and the Shareholders as a whole to make such investment.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company held assets and liabilities denominated in Hong Kong Dollars (“HKD”), Renminbi (“RMB”) and US Dollars (“USD”). The Company’s cash and cash equivalents were denominated in HKD and USD. Accordingly, it is subjected to limited exposure of foreign exchange fluctuation. As it is the Company’s policy to maintain relatively minimal exposure to foreign exchange risks, the Company had not used any derivatives and other instruments for currency exchange hedging purposes.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2019, the Company had 5 employees (31 March 2019: 5), including the executive Director.

Total remuneration paid to the employees of the Company, including the executive Director, during the Period amounted to approximately HK\$1,692,000 (period ended 30 September 2018: approximately HK\$2,293,000). The Company’s remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of the individual employees.

DIRECTORS’ RIGHT TO ACQUIRE SHARES AND DEBENTURES

At no time during the Period was the Company or its associated companies a party to any arrangements to enable the Directors or chief executive of the Company to acquire any interests or benefits by means of acquisition of shares, underlying shares in or debentures of the Company.

Management Discussion and Analysis

DIRECTORS' AND/OR EXECUTIVES' INTEREST IN SHARES

As at 30 September 2019, as far as the Directors are aware, the Directors, chief executive and their associates had the following interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong, ("SFO")) that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO and which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):

Directors' interests in the shares of associated corporations

Name of associated corporation	Name of Director or chief executive	Capacity	Long/short position	Number of ordinary shares in the associated corporation	Approximate percentage of the issued share capital in the associated corporation
Renown Future Limited	He Luling	Beneficial owner	Long position	1	20%
	Ji Qiang	Beneficial owner	Long position	1	20%

Other than as disclosed above, none of the Company's Directors, chief executive nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of the SFO as at 30 September 2019.

Management Discussion and Analysis

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2019, as far as the Directors are aware, the Company had been notified of the following substantial shareholders' interests or short positions in the shares and underlying shares in the Company (representing 5% or more of the Company's issued share capital) which were recorded in the register maintained by the Company under Section 336 of the SFO:

Name of substantial shareholder	Capacity	Long/short position	Number of shares	Approximate percentage of existing shareholding (Note 3)
1. Renown Future Limited	Beneficial owner	Long position	88,129,080	51.00%
2. Treasure Isle Global Limited	Beneficial owner	Long position	25,954,878 (Note 1)	15.02%
3. Li Bohan ("Mr. Li")	Interest of a controlled corporation	Long position	25,954,878 (Note 1)	15.02%
4. Zhang Jianming ("Mr. Zhang")	Interest of a controlled corporation	Long position	25,954,878 (Note 1)	15.02%
5. Blue Canary Consulting Company Limited	Beneficial owner	Long position	14,916,042 (Note 2)	8.63%
6. Chan Man Fung	Interest of a controlled corporation	Long position	14,916,042 (Note 2)	8.63%

Notes:

1. Treasure Isle Global Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 50% by Mr. Li and 50% by Mr. Zhang. Each of Mr. Li and Mr. Zhang is deemed to be interested in the 25,954,878 Shares held by Treasure Isle Global Limited under Part XV of the SFO.
2. Blue Canary Consulting Company Limited is a company incorporated in Samoa and is solely owned by Mr. Chan Man Fung. Mr. Chan Man Fung is taken to be interested in the shares of the Company held by Blue Canary Consulting Company Limited under Part XV of the SFO.
3. The percentage of shareholding is calculated on the basis of 172,800,000 shares in the Company in issue as at 30 September 2019.

Management Discussion and Analysis

Save as disclosed above, as far as the Directors are aware, no other person had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 30 September 2019.

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and the Shareholders. The Company has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company’s code of corporate governance practices. During the Period, the Company has complied with the code provisions under the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transaction by Directors of Listed Issuers” (the “Model Code”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by Directors. On specific enquiries made, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee, comprising three independent non-executive Directors and the non-executive Director, has reviewed with the management of the Company the accounting principles and practices adopted by the Company and discussed the auditing, internal control, risk management and financial reporting matters.

REVIEW OF UNAUDITED FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited interim financial report for the Period. In addition, the condensed interim financial statements for the Period have been reviewed by our auditors, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA and an unqualified review report is issued.

SHARE OPTION SCHEME

The Company did not maintain any share option scheme during the Period.

By order of the Board

He Luling

Chairman

Hong Kong, 27 November 2019